GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2029
ANSWERED ON:05.08.2005
EVASION OF EXCISE DUTY
Singh Shri Prabhunath

Will the Minister of FINANCE be pleased to state:

(a) whether manufacturers of Pan Masala/Gutkha, Polyester Yarn/Fabrics, Cigarette, Capital Goods, Iron & Steel, and Cinematographic Films are evading excise duty worth thousands of crores of rupees per annum;

(b) if so, details thereof `item-wise, year-wise` for the last three years; and

(c) action taken to recover the entire amount of tax evasion from them?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI S. S. PALANIMANICKAM)

(a) Yes, Sir. Some cases of evasion of excise duty by Pan Masala/Gutkha, Polyester Yarn/Fabrics, Cigarette, Capital Goods, Iron & Steel, and Cinematographic Films have been detected.

(b) Details of cases booked in last three years are as follows:

Commodities	Year	No. of cases detected	Amount involved in crores
1	2	3	4
Pan Masala/ Gutkha	2002-03	7	21.27
	2003-04	8	30.54
	2004-05	9	26.25
Polyester Yarn/ Fabrics	2002-03	69	284.47
	2003-04	67	170.31
	2004-05	43	66.08
Cigarettes	2002-03	-	-
	2003-04	3	42.37
	2004-05	1	.0016
Capital Goods	2002-03	4	26.85
	2003-04	9	40.35
	2004-05	9	6.36
Iron & Steel	2002-03	84	134.31
	2003-04	82	41.39
	2004-05	73	39.08
Cinematographic Films	2002-03	-	-
	2003-04	1	8.35
	2004-05	-	-

(c) Action as per Central Excise Act, 1944 and the Rules made there under is being taken to recover the amount. So far Rs.19.81 Crores, Rs.23.09 Crores and Rs.30.01 Crores have been recovered during the financial years 2002-03, 2003-04 and 2004-05.